

WATER DISPOSAL WELL AGREEMENT

THIS WATER DISPOSAL WELL AGREEMENT (this "Agreement") is made and entered into as of the Zeta day of December, 2012, between PUCKETT LAND COMPANY, a Colorado corporation ("Puckett"), with a mailing address of 5460 South Quebec Street, Suite 250, Greenwood Village, CO 80111, and PDC Energy, Inc., a Nevada corporation ("PDC"), with a mailing address of 1775 Sherman Street, Suite 3000, Denver, CO 80203. Puckett and PDC are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS:

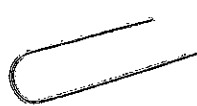
A. Puckett is the owner of the mineral estate underlying lands described in that certain Oil and Gas Lease dated November 15, 1999 recorded in Garfield County, Colorado at reception number #556562, Book 1164, Page 400 (the "Subject Lands").


B. PDC desires to drill a water disposal well (the "Subject Well"), located on the Subject Lands, in the SESE Section 14, T7S, R96W, to dispose of water produced from oil and gas wells on and in the vicinity of the Subject Lands.

AGREEMENT:

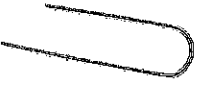
NOW, THEREFORE, for and in consideration of the premises and other good and valuable consideration, the sufficiency of which is acknowledged, Puckett and PDC agree as follows:

1. Granting Clause. Puckett does hereby grant, lease and let unto PDC the portion of the Subject Lands, located in the SESE Section 14, T7S, R96W for the purpose of drilling the Subject Well, and of disposing in the Subject Well water produced from wells producing oil and/or gas located on and in the vicinity of the Subject Lands.






6. Drilling Pad. The Subject Well is located on the Nolte 14-796 drilling pad on the Subject Lands on which other wells will be operated by PDC are to be located. Puckett agrees that PDC will continue to have access to and egress from this drilling pad to service and operate the Subject Well and the other wells located thereon and that none of the payments provided herein shall apply to the use of Puckett's surface by PDC to conduct its oil and gas operations and activities on such drilling pad or on the Subject Lands.



16. IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above set forth.

PUCKETT LAND COMPANY

By: 
Name: Eric R. Stearns
Title: President

PDC ENERGY, INC.

By: 
Name: James R. Schafl
Title: Vice President Land



ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement ("Assumption Agreement"), entered into on June 10, 2013, but effective as of January 1, 2013, at 12:01 a.m. Mountain Time (the "Effective Time"), is by and among PDC Energy, Inc., a Nevada corporation ("Assignor"), and Caerus Piceance LLC, a Colorado limited liability company ("Assignee"). Assignor and Assignee are referred to herein individually as "Party" and collectively as the "Parties."

RECITALS

A. Assignor and Assignee have entered into a Purchase and Sale Agreement dated February 4, 2013, as amended from time to time, but effective as of the Effective Time (the "PSA"). Terms capitalized but not defined herein shall have the meaning given such terms in the PSA.

B. This Assumption Agreement is being executed contemporaneously with the Closing, pursuant to which Assignor is assigning all of its right, title and interest in and to the contracts described on Exhibit "A" hereto and incorporated herein (the "Contracts") to Assignee on the terms and conditions set forth in the PSA.

AGREEMENT

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Assignment. Assignor hereby transfers, conveys, and assigns unto Assignee, its successors and assigns, all of Assignor's right, title, interest and benefits in and to the Contracts, together with all of Assignor's covenants, conditions, obligations and liabilities in and under the Contracts, insofar as they are attributable to periods from and after the Effective Time.

2. Assumption. In consideration for the foregoing assignment, Assignee does hereby assume and agree to be bound by all express and implied covenants, conditions, obligations and liabilities in and under the Contracts, insofar as they are attributable to periods from and after the Effective Time.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assumption Agreement on the date indicated above, but effective as of the Effective Time.

ASSIGNOR

PDC ENERGY, INC.

By: 

Name: James R. Schaff

Title: Vice President - Land

ASSIGNEE

CAERUS PICEANCE LLC

By: 

Name: David H. Keyte

Title: Vice President and Treasurer

EXHIBIT "A"

Attached to Assignment and Assumption Agreement dated June 18, 2013, by and among
PDC Energy, Inc. as Assignor, and Caerus Piceance LLC, as Assignee

Contracts

EXHIBIT "A" TO ASSIGNMENT AND ASSUMPTION AGREEMENT

| Contract No. | Description | Area | Type | State | Eff. Date | Date |
|--------------|-------------|------|------|-------|-----------|------|
|--------------|-------------|------|------|-------|-----------|------|

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|----------------------|---|----------|-----|----|------------|------------|
| Nolte Water Disposal | Pocket Water Disposal Well Agreement - Nolte 14-796 Pad | PICEANCE | SWD | CO | 12/20/2012 | 12/20/2012 |
|----------------------|---|----------|-----|----|------------|------------|